U.S. Department of Housing And Urban Development

America's Affordable Communities Initiative

"Across this great nation, local communities are removing regulatory barriers to affordable housing and opening doors to homeownership for hard working families"

HUD Secretary Alphonso Jackson

Removal of Regulatory Barriers

- Local government regulations can add as much as 30% to the cost of new housing;
- Impact fees and regulatory costs can add \$120,000 to every new home built.

Regulation and the Rise of Housing Prices in Greater Boston; A Study Based On new Data from 187 Communities in Eastern Massachusetts

Pioneer Institute for Public Policy Research and the Rappaport Institute for Greater Boston

What Are Regulatory Barriers to Affordable Housing?

Regulatory Barriers can include:

- Burdensome Administrative
 Processes which require multiple
 processing steps and reviews.
- Building and Housing Codes

Regulatory Barriers to Affordable Housing

- Fees and Dedications
- Planning and Growth Restrictions
- Limitations on Redevelopment and Infill
- Zoning and Subdivision regulations

Reform Gets Affordable Housing on the Ground

• On June 29, 2005, 14 communities received the Robert L. Woodson, Jr. Award for increasing the supply of affordable housing.

Communities ranged in population from just
9,000 people to more than
1 million.

Reform Gets Affordable Housing on the Ground

 Median Incomes ranged from \$26,000 to \$100,000

• Median home values ranged from \$52,000 to \$1 million.

Reforms Implemented

- Administrative Processes Streamlined
- Fees Waived
- Zoning and land development regulations modified
- Tax policies changed
- Affordable housing programs created
- Publicly owned land utilized

Administrative Reforms

- Austin, Texas. Conducts Fast-Track Reviews of Affordable Housing Developments including facilitation and reconciliation process.
- Carolina, Puerto Rico- Restructured its planning and permitting process and established timetables for approval

Administrative Reforms

- Madera. CA- Streamlined the environmental review process, reduced permitting time for mixed-use projects and decreased the amount of time needed to secure accessory units.
- Grand Forks, ND Instituted flexible, easy to obtain zoning variances.

Administrative Reforms

- King County, Washington Permits accessory units on all lots over 10,000 square feet.
- Santa Fe, NM- Accelerates process for developments that include at least 25% affordable housing

Fee Waiver and Reduction Reforms

• Chicago, Illinois – Waives permitting fees for affordable housing developments.

• Fort Collins, Colorado – Delays impact fees until occupancy, and provides impact fee rebates – especially for affordable housing

Fee Waiver and Reduction Reforms

• Oxnard, CA- Waives or reduces most development fees for infill housing and defers or waives development fees if 10% of the units are for sale or lease to very low income households or 20% are for lowincome households.

Zoning and Land Use Reform

- Austin, Texas Reviews all proposed code amendments, rule changes, neighborhood plans and development fees for their impact on housing affordability.
- Chicago, Illinois Offers density bonuses for affordable housing in Chicago's booming central area and density bonuses for market-rate condominiums and townhouses that include housing for moderate income households.

Zoning and Land Use Reform

• Cincinnati, Ohio – Developed a new zoning code that allows 2,000-4,000 square foot lots in older neighborhoods, permits cluster housing and provides reduced side yard and setback requirements.

• Santa Fe, New Mexico- Has instituted reduced lot size and increased lot coverage

Zoning and Land Use Reform

• Fort Collins, Colorado- Provides density bonuses, reduced builder bonding and landscaping requirements, reduced street widths, rights of way, sidewalk widths, and minimum lot sizes for affordable housing.

Tax Reform Policies

• Fort Collins, Colorado- Provides sales and use tax rebates on materials to affordable housing builders.

• **Grand Forks, ND** –Instituted 2-year property tax exemption for the first \$75,000 of value and a three-year property tax exemption for increased values from rehabilitation

Land Utilization

- Carolina, Puerto Rico Created an inventory of all Commonwealth and Cityowned land and releases some of the land to lower development costs.
- Fitzgerald, Georgia –Uses redevelopment authority to clear and assemble infill sites for redevelopment.

Land Utilization

• San Antonio, Texas – Uses surplus land for affordable housing construction.

• Austin, Texas – makes surplus cityowned land available to a non-profit housing organization at below market rates for affordably priced housing.

Supplemental Programs

• Austin, Texas – Facilitates dialogue between neighborhood groups and affordable housing developers for proposals requiring zoning changes.

• Carolina, Puerto Rico – Uses "design-build" bids for city-built housing.

Supplemental Programs

• Fort Collins, Colorado – Conducted a major affordable housing marketing effort and empanelled an Affordable Housing Board to recommend new reform efforts

Conclusion- Reforms Yield Results

- As a result of reducing unnecessary and inhibitive regulations, many communities have been able to increase the supply of affordable housing by as much as 40 percent.
- Since 2001, Austin, Texas has completed almost 4,000 units of affordable single-and multi-family housing.

Conclusion- Reforms Yield Results

• In Santa Fe, New Mexico nearly 16% of all new homes built in the last decade were affordable.

• In Grand Forks, ND 57% of new developments since 2002 have met affordable housing targets.

For More Information on Removal of Regulatory Barriers go to the Regulatory Barriers Clearinghouse at:

http://www.regbarriers.org